

### **Why low-income families struggle to get federal subsidies for child care in Texas**

Once families get off the Texas Workforce Commission's child care services program waitlist, they can pick from the state's approved list of providers. The state then pays the providers the subsidy, and parents sometimes also make a copayment.

In Texas, however, the amount of money day care providers can collect through the federal program is often well below the market rate, limiting the number of day care facilities that participate in the program.

The commission delegates to regional workforce boards the task of setting rules on how the subsidies are disbursed, making it difficult to say exactly what the subsidies cover in Texas. But according to a 2017 study, the subsidies offered by local boards ranged from a low of 19 percent of the market rate to a high of 75 percent, meaning day care operators could make more profit by filling slots with children from wealthier families and might even lose money in some areas if they participate in the program.

That dynamic holds for day care facilities that participate in the Texas Rising Star program, which gives higher subsidy rates to centers that meet heightened quality standards.

Because the pay jump is often too low to justify the costs associated with meeting the higher standards — a 2017 study of providers in North Texas found that many would lose money if they increased their quality rating — the participation rate among providers is only 17 percent, according to Shay Everitt, director of early childhood education initiatives at the nonprofit Children at Risk. Other states with similar programs have participation rates between 50 and 70 percent, she said.